

DEPARTMENT OF CONSUMER AFFAIRS
TITLE 10. BUREAU OF REAL ESTATE APPRAISERS

PROPOSED REGULATORY LANGUAGE

Appraiser Qualifications Board Education Updates

Legend:	Added text is indicated with an <u>underline</u> .
	Omitted text is indicated by (* * * *)
	Deleted text is indicated by strikeout .

Amend sections 3542 and 3543 in Article 3, and amend section 3681 in Article 10 of Chapter 6.5 of Title 10 of the California Code of Regulations to read as follows:

§ 3542. Minimum (Basic) Education Requirements for Licensure.

(a) To be eligible for licensure, an applicant shall meet the following minimum education requirements:

(1) Successful completion of all minimum education hours and course requirements for the license level applied for as prescribed by the AQB, including the Appraisal Foundation's 15-hour National Uniform Standards of Professional Appraisal Practice (USPAP) course and an 8-hour course (7 hours of instruction plus a 1-hour exam) in Valuation Bias and Fair Housing Laws and Regulations that is a course meeting the content requirements of the Valuation Bias and Fair Housing Laws and Regulations Course Outline (Outline), which is hereby incorporated by reference, and published by the Appraisal Foundation in the document entitled "The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria," effective January 1, 2026. The document, including the Outline, can be obtained at no cost from The Appraisal Foundation at www.appraisalfoundation.org.

(2) For the issuance of an initial or reciprocal license, a Bureau-approved four-hour course on federal and California appraisal-related statutory and regulatory law. A course will be deemed to be "Bureau-approved" if it is accredited pursuant to Article 9 of the Bureau's regulations; and

(3) For an applicant for an initial or reciprocal license submitting a completed application that is received by the Bureau on or after January 1, 2023, at least one hour of instruction in cultural competency as defined in Section 11340 of the Business and Professions Code. Instruction on cultural competency shall include, at a minimum, subject matter that covers an overview of historical and current discriminatory practices in the real estate appraiser industry, which may include consideration of various cultures and stereotypes of cultures; an examination of one's own attitudes and values; and the acquisition of the values, knowledge, skills, strategies and abilities that will allow an individual to work in cross cultural situations.

(b) All courses satisfying the requirements of subdivision (a)(1) shall:

(1) Be a minimum of 8 hours in length for the Valuation Bias and Fair Housing Laws and Regulations Course specified in subsection (a)(1) or 15 hours in length for all other courses, and include a written closed-book, proctored, final examination that covers the course material;

(2) Have their course content approved by the AQB through its Course Approval Program (CAP), a state real estate appraiser licensing agency or comparable regulatory jurisdiction, or a college, community college, or university that is accredited by a regional, institutional, national, or programmatic accreditation association that is recognized by the U.S. Department of Education;

(3) If it is an asynchronous distance education course, have its course delivery mechanism approved by one of the following:

(A) AQB through its Course Approval Program (CAP);

(B) The International Distance Education Certification Center;

(C) The Appraisal Foundation; or

(D) An accredited college, community college, or university described in subparagraph (b)(2) that awards academic credit for the distance education course.

(4) Be taken through a school, provider, or program that is accredited by either:

(A) The Bureau; or

(B) Any regional, institutional, national, or programmatic accrediting agency that is recognized by the U.S. Department of Education.

(c) An applicant who possesses a current and active license to practice as a real estate appraiser issued by another state or territory of the United States and meets the requirements in section 3569(a) shall be deemed to have completed the minimum education requirements in (a)(1).

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11314, 11340 and 11361, Business and Professions Code; 12 U.S.C. section 3345.

§ 3543. Continuing Education Requirements for Renewal.

(a) To renew a license every two-year renewal period, a licensee shall complete the seven-hour National USPAP ~~Update~~ Continuing Education Course (or its equivalent as determined by the AQB). A licensee must provide ~~the documentation~~ proof of completion with each renewal application as required by section 3681.

(b) To renew a license every two-year renewal period, a licensee shall complete a Valuation Bias and Fair Housing Laws and Regulations Course ("course") covering the content specified in section 3542(a)(1) and meeting the course length requirements of paragraphs (1) or (2), as applicable. Completion of this course shall satisfy the elimination of bias training requirement set forth in subsection (c)(2). A licensee must provide proof of completion of the course with each renewal application as required by section 3681. A licensee shall satisfy this requirement as follows:

(1) *First Time 7-hour course requirement:* For licensees completing this course requirement for the first time, the course length must be seven (7) hours of instruction and completed as specified in subsection (e). If a licensee successfully completed this course as part of their qualifying education in compliance with section 3542, this first-time requirement has been satisfied and the licensee shall comply with the requirement in paragraph (2) to renew their license thereafter.

(2) *Biennial 4-hour course requirement:* The course length for licensees who have satisfied the first-time course requirement in paragraph (1) shall be four hours of instruction and completed as specified in subsection (e).

(b) ~~For~~To renewal of a license every other two-year renewal period (“four-year cycle”), a licensee shall complete an average of 14 hours of Bureau-accredited continuing education per year, for a required minimum of 56 hours reported in accordance with section 3681. Course time allotted for exam administration does not count as qualifying toward the required hours of accredited continuing education. In addition to the seven-hour National USPAP Continuing Education~~Update~~ Course required every two-year period in subsection (a) and the Valuation Bias and Fair Housing Laws and Regulations Course required every two-year period in subsection (b), of the required hours for the four-year cycle a licensee must complete:

(1) A minimum four (4) hour Bureau-approved course on federal and California appraisal-related statutory and regulatory law. A course will be deemed to be “Bureau-approved” if it is accredited pursuant to Article 9 of the Bureau's regulations; ~~and~~

(2) ~~For a license that expires on or after January 1, 2023:~~

(A) ~~At least one hour in cultural competency, as defined in Section 11360 of the Business and Professions Code. Instruction shall include the subject matter required in section 3542(a)(3). If offered as an individual course, it need not meet the minimum length of two hours, as required by AQB-; and~~

(B) ~~At least two hours in elimination of bias training, as bias is defined in section 3500. Instruction on the elimination of bias shall include, at a minimum, the following:~~

(i) ~~An overview of historical and current discriminatory practices in the real estate appraiser industry.~~

(ii) ~~Examples of how implicit, explicit, and institutional bias affects perceptions, analyses, and decisions of appraisers, leading to disparities in performing appraisals along lines of race, ethnicity, religion, gender identity, sexual orientation, age, socioeconomic status, or other personal characteristics or criteria listed in Section 11424 of the Business and Professions Code.~~

(iii) ~~Exploration of causes of bias and solutions and strategies to increase understanding and counteract how biases may contribute~~

to disparities by shaping behavior and producing differences in performing appraisals. For the purposes of this subsection, strategies may include the utilization of tests, assessment tools, educational resources, and options for eliminating stereotypical responses.

(D) Completion of the Valuation Bias and Fair Housing Laws and Regulations Course in subsection (b) shall satisfy the two hours of elimination of bias requirement of this paragraph.

(ed) To qualify for renewal, in addition to the other requirements of this section, continuing education coursework shall meet the following:

(1) Each course shall meet the minimum AQB requirements, except as otherwise indicated in this section.

(2) All classroom attended courses shall be taken through a school, provider or program that is accredited by either:

(A) The Bureau; or

(B) Any regional, institutional, national, or programmatic accrediting agency recognized by the U.S. Department of Education.

(3) Course content is approved by the AQB through its Course Approval Program (CAP), a state real estate appraiser licensing agency or comparable regulatory jurisdiction, or a college, community college, or university that is accredited by a regional, institutional, national, or programmatic accreditation agency that is recognized by the U.S. Department of Education;

(4) Distance education courses, synchronous or asynchronous, are acceptable if:

(A) Course content is approved as above in subparagraph (3); and

(B) For asynchronous distance education, the course delivery mechanism is approved by one of the following:

(i) AQB's CAP;

(ii) The International Distance Education Certification Center;

(iii) The Appraisal Foundation; or

(iv) A college, community college, or university that qualifies for content approval in paragraph (3) above that awards academic credit for the distance education course.

~~(de)~~ To qualify for renewal, the seven-hour National USPAP ~~Update~~Continuing Education Course required in subsection (a) and the Valuation Bias and Fair Housing Laws and Regulations Course required in subsection (b) shall be completed after the date on which the previous license was issued, or after the previously issued license's expiration date, or during the two-year period following the expiration of the previously held license in which the license can be renewed pursuant to section 3682. To qualify for renewal, the remaining hours required in subsection ~~(bc)~~ shall be completed after the expiration date of the previous four-year continuing education cycle.

~~(ef)~~ Except for the seven-hour National USPAP ~~Continuing Education-Update~~ Course and the Valuation Bias and Fair Housing Laws and Regulations Course required in subsection (b), duplicate continuing education coursework will not be counted toward meeting the required hours of this section if completed more than once within the same four-year continuing education cycle.

Note: Authority cited: Sections 11313, 11314, 11360 and 11361, Business and Professions Code. Reference: Sections 11360, 11361 and 11424, Business and Professions Code.

§ 3681. Renewal Application.

(a) A license may be renewed by submitting the following to the Bureau:

(1) Appropriate fees including state and federal registry fees pursuant to Section 3582;

(2) Every other renewal period, proof of completion of approved continuing education by one of the following:

(A) Official transcript;

(B) Report card; or

(C) Completion certificates.

(3) Every renewal period, proof of completion of the 7-hour National USPAP ~~Update~~Continuing Education Course and proof of completion of the Valuation Bias and Fair Housing Laws and Regulations Course as specified in section 3543 using any of the methods in paragraphs 2(A)-(C);

(4) License Renewal Application Form REA 3012 (Rev. 04/01/2020), which is herein incorporated by reference.

(b) The renewed license shall be valid for a maximum of two years from the date of expiration of the prior license, provided the Renewal Application is received by the Bureau before midnight of the last day of the period for which the previous license was issued, accompanied by the applicable renewal fees and evidence of good faith compliance with the provisions of this article.

(c) Complete applications for renewal of licenses should be submitted to the Bureau at least 90 days prior to the license expiration date. However, applications for renewal shall not be accepted by the Bureau more than 180 days prior to the expiration of the existing license.

(d) A Certificate of Registration may be renewed by submitting the following to the Bureau:

(1) Appropriate fees including state and federal registry fees pursuant to section 3582;

(2) Every renewal period, a designated Controlling Person with the authority to enter into contractual relationships with independent appraisers or who is involved in the appraiser selection approval process must submit proof of completion of the 7-hour National USPAP Update Course, approved by the Appraiser Qualifications Board of the Appraisal Foundation; and

(3) Appraisal Management Company Renewal Application Form REA 5012 (Rev. 10/19/2023), which is herein incorporated by reference.

(4) Appraisal Management Company Controlling Person Renewal Application Form REA 5013 (Rev. 04/01/2020), which is herein incorporated by reference, for each controlling person.

(e) The renewed Certificate of Registration shall be valid for a maximum of two years from the date of expiration of the prior registration, provided the Renewal Application is received by the Bureau before 5 p.m. Pacific Standard Time of the last day of the period for which the previous Certificate of Registration was issued, accompanied by the applicable renewal fees.

(f) Complete applications for renewal of Certificate of Registration should be submitted to the Bureau at least 90 days prior to the Certificate of Registration expiration date. However, application for renewal shall not be accepted by the Bureau more than 180 days prior to the expiration of the existing Certificate of Registration.

NOTE: Authority cited: Sections 115.5, 11313, 11314, 11340, 11360 and 11361, Business and Professions Code. Reference: Sections 30, 31, 114.5, 115.5, 494.5, 11340, 11341, 11343, 11345.1, 11345.2, 11345.3, 11360 and 11361, Business and Professions Code.